

SERVICE EMPLOYEES
INTERNATIONAL UNION
CTW. CLC

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www.seiu32bj.org

February 28, 2012

Connecticut General Assembly Labor and Public Employees Committee Room 3800, Legislative Office Building Hartford, CT 06106

Re: SB 181, "The Good Jobs Bill"

Senator Prague, Representative Zalaski, and Members of the Labor and Public Employees Committee:

My name is Matt O'Connor, and I am the Connecticut District Political Director for Local 32BJ, SEIU. We are a union of property service workers, with more than 120,000 members on the east coast. Our district includes 4,500 members who are building cleaners here in Connecticut.

I am here today to speak in favor of Senate/Bill 181.

S.B. 181 -- the "Good Jobs Bill" -- would hold companies that receive state tax dollars accountable for creating good jobs here in our state.

We believe that Connecticut public officials should never be in the business of subsidizing poverty-level jobs. But unfortunately, that is exactly what happens when state economic development programs give taxpayer dollars to companies that pay poverty-level wages.

The Good Jobs bill fixes that problem. It levels the playing field by requiring that employers pay baseline wages and benefits to the people who work on publicly subsidized projects.

Specifically, the Good Jobs bill provides that if a company receives state funded economic development subsidies, that company is responsible for ensuring that workers who perform work on the subsidized project are paid wages and benefits that do not undercut existing standards. In order to accomplish this goal, the bill extends the "Standard Wage Law" and the "Prevailing Wage Law" to these companies.

The state is already providing public subsidies to companies and will continue to do so regardless of this legislation. This bill just attaches standards to this spending, and does not provide for additional subsidies. It does not require any additional spending by the state or municipalities.

But it is important to recognize that there are costs to the public when recipients of subsidies do not pay adequate wages. If those companies are permitted to pay less than the going rate, they are getting a windfall at the taxpayers' expense.

Now the bill as written would not hold service contractors in facilities constructed with taxpayer dollars accountable to paying standard wages to their workers. We

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believe the requirement should extend to employees of these contractors, even if they did not receive those public funds directly. After all, they are benefitting from the subsidy that enabled them to bid on and win a service contract in the first place.

And if it doesn't extend to contractors, we know what the outcome will be -- more low-wage jobs here in Connecticut. More building cleaners, food service workers, and security officers working hard every day to live and raise their families -- yet still stuck in poverty. That's not what Connecticut needs.

As a Union, we believe service workers in these types of positions should be able to afford to contribute to the economies of their local communities -- and Connecticut as a whole. When working people are paid decent wages, their spending goes back into the local economy. That's what economic development is supposed to be about.

Therefore, we urge you to revise the language in S.B. 181 to hold service contractors accountable to paying their workers standard wages. And then we urge you to pass the revised bill to make sure contractors receiving public funds don't use our tax dollars to create more poverty.

In Solidarity,

Matt O'Connor

Connecticut District Political Director Local 32BJ, SEIU